

STATE CONTROLLER'S OFFICE  
PERSONNEL/PAYROLL SERVICES DIVISION  
P.O. Box 942850  
Sacramento, CA 94250-5878

DATE: January 13, 2004

PAYROLL LETTER # 04-002  
CIVIL SERVICE ONLY

TO: All Agencies in the Uniform State Payroll System

FROM: JOHN R. HARRIGAN, Chief  
Personnel/Payroll Services DivisionRE: PERSONNEL/PAYROLL SERVICES SPECIALIST/SUPERVISORY ANNUAL RECRUITMENT AND  
RETENTION PAY

As done in previous years, the State Controller's Office (SCO) will provide employee listings and employment/payroll history summaries to assist agencies in processing the annual Personnel/Payroll Specialist/Supervisory classifications recruitment and retention (R & R) pay (differential 240). The outputs will be available on ViewDirect starting January 12, 2004. A hard copy version of these listings/summaries will not be provided. Agencies will be responsible for printing their listings/summaries via ViewDirect to use in requesting the annual R & R payments.

Only personnel staff authorized to access ViewDirect will be able to view and print these listings/summaries. For more information on accessing and printing reports in ViewDirect, please see the ViewDirect User Guide on the SCO website at <http://www.sco.ca.gov/ppsd/viewdir/viewdir.pdf>. The listings/summaries will be available on ViewDirect from January 13, 2004 until February 28, 2004.

The listings and summaries can be found in View Direct under the following report id's and report names:

Report ID	Report Name
PDW5352	Employment History Summary
PDW5350	PIP Payroll Transaction List
PDW5354	Payment History Summary
PDW5355	Payroll Overtime Transaction List

Employees were selected for the reports if they were active in one of the eligible classes as of January 9, 2004. Entries on the reports and history summaries are sorted by agency, unit and then social security number.

#### General Information

- Eligible class codes are 1303, 1304, 1305, 1309, 1310, 1311, 1314, 1315, and 1317.
- Payments for the annual R & R pay should not be issued until 30 days after the employee completes 12 consecutive qualifying pay periods.
- R & R pay is to be issued from the employee's most recent eligible position, regardless of mid-year movement between agencies.
- For employees who promoted or transferred to the SSA class from an eligible class, the annual R & R pay shall be issued from the pay period and position number the employee was in prior to the promotion or transfer (these employees will not be on the listings).

- After a break-in-service or non-qualifying pay period, the accumulation of 12 consecutive qualifying pay periods starts over beginning with the next qualifying pay period after the break-in-service or non-qualifying pay period.

EXCEPTION: If an employee is on a documented/substantiated medical leave, the qualifying months prior to the leave are to be accumulated with qualifying months after the employee returns to regular pay status.

- Retired annuitants are not eligible for R & R pay.
- Employees on Training and Development (T & D) assignments are not eligible for R & R pay.

#### ViewDirect Report ID PDW5352 - EMPLOYMENT HISTORY SUMMARY

Lists a limited employment history for employees in an eligible class as of January 9, 2004. Employment history status is provided for January 1, 2003 through January 9, 2004. Use this list to determine eligibility for R & R pay.

Employee is eligible for R & R pay if:

- on active status in an eligible class for 12 consecutive qualifying pay periods.

Employee is NOT eligible for R & R pay if:

- there was a break-in-service causing a non-qualifying pay period between January 2003 and December 2003. Time while on Workers Compensation or Industrial Disability Leave is considered qualifying; or
- the employee was on a T & D assignment either to an eligible class or from an eligible class to a different class; or
- appointment is as a retired annuitant.

#### ViewDirect Report ID PDW5350 - PIP PAYROLL TRANSACTION LIST

List of employees potentially eligible for the R & R pay and printed in the format for agencies to key the pay request on PIP. The earnings ID for the annual R & R pay is 9K.

1. Use the Employment History Summary, Report ID PDW5352, to determine if a listed employee is eligible for the R & R pay (see above Report ID PDW5352 instructions).
2. Line off any employee who is not eligible for the R & R pay.
3. Line off any employee who is now off pay status for the entire January 2004 month. Submit a Form STD. 674, ATTN: Premium Pay Unit, to request the pay.
4. Complete a covering Form STD. 671 for the listed employees including the alternate funding information and signature.
5. On the listing complete in ink the AF (alternate fund) code, if necessary, and the R & R gross (see below) for each eligible employee.

To determine gross:

The R & R gross is based on the employee's time-base during the 12 qualifying pay periods. Using Report ID PDW5352, determine the eligible employee's time-base for each of the 12 qualifying pay periods.

If the employee is full-time in any one of the eligible classes for the full 12 months, R & R gross will equal full R & R amount of \$2,400.00.

If the employee is part-time at the same time-base in any one of the eligible classes for the full 12 months, R & R gross will equal full-time R & R amount multiplied by the time-base.

Example: for a 1/4 time-base employee the R & R gross will be \$600.00 ( $\$2,400.00 \times 1/4 = \$600.00$ ).

If the employee is intermittent in any one of the eligible classes for the full 12 months, the total number of qualifying months must be determined (qualifying month per DPA Rule 599.6709 equals 160 hours). Use Report ID PDW5354 to compile all of the regular time hours paid in the 12 month period and divide by 160 to obtain the number of qualifying months. Divide the full R & R gross by 12 months and multiply by the total number of qualifying months.

Example: Employee worked a total of 1,120 hours in the 12 qualifying pay periods.  $1,120 \text{ hours} \div 160 = 7$  total qualifying months.

$\$2,400.00 \div 12 \times 7 = \$1,400.00$  R & R gross.

If the employee has more than one time-base during the 12 month period, compute the R & R gross due for each time-base and add together to determine the annual R & R gross amount.

Example: Employee worked 7 qualifying months at full-time and 5 qualifying months at half-time:

7 full-time months = \$1,400.00 ( $\$2,400.00 \div 12 \times 7$ )  
5 half-time months = \$500.00 ( $\$2,400 \times 1/2 \div 12 \times 5$ )  
R & R gross = \$1,900.00

Contact Camille Goodwin-Boyd at DPA for questions on computing the R & R gross amount. Camille can be reached at (916) 324-3860.

6. Beginning on January 30, 2004 key R & R pay requests via PIP (see PPM Section K for PIP processing procedures).

#### ViewDirect Report ID PDW5354 - PAYMENT HISTORY SUMMARY

Lists payment activity for January 2003 through December 2003 pay periods issued as of January 9, 2004. Use to determine the qualifying months for intermittent paid employees and the annual overtime adjustment needed due to the R & R pay.

#### ViewDirect Report ID PDW5355 - PAYROLL OVERTIME TRANSACTION LIST

List of employees potentially eligible for salary rate adjustments to overtime payments and printed in the format to be used by PPSD for processing purposes.

NOTE: This is a one-time process to be used only for the employees who are receiving annual R & R pay issued for the January 2004 pay period. These one-time overtime adjustments will be issued as Payment type 9, suffix F. For future one-time adjustments, submit Individual Form STD. 674 for the eligible R & R pay period.

1. Use Report ID PDW5354, Payment History Summary, to identify if overtime payments were issued for an employee.
2. If an employee did not receive overtime pay from your agency or is not receiving R & R pay per Report ID PDW5350, line off the employee's name from the listing.
3. If an employee was issued overtime pay from another agency/agencies, please notify the other agency/agencies of the need for overtime pay adjustments and the gross amount of the R & R pay the employee is receiving.
4. If an employee was issued overtime from the same agency, but different agency numbers within that agency, or different reporting unit numbers, line off the employee's name from the listing. Submit as a package, individual Form STD. 674s for each agency/reporting unit number where an overtime adjustment is due.
5. For the remaining employees on the listing, complete in ink the serial number from which the overtime pay adjustment is to be issued and the gross amount of the overtime adjustment.

To determine the overtime adjustment gross:

Step 1. Determine the total number of overtime hours paid at each overtime code for the 12 month R & R period (Report ID PDW5354).

NOTE: December overtime will need to be added if it issued after January 9, 2004.

Step 2. Determine the monthly R & R gross pay by dividing the annual R & R gross pay from Report ID PDW5350 by the number of qualifying months the R & R covers (i.e. 12 months unless employee was intermittent time-base or if the employee worked at more than one time-base). If the employee worked more than one time-base, compute the monthly amount due at each time-base.

Step 3. Determine the straight time hourly rate of the monthly R & R gross pay (divide the result of Step 2 by 173.33).

Step 4. Determine the hourly salary rate per the overtime factor corresponding to the overtime code.

OT Code	OT Factor
Blank	Straight time (1.0)
1	Time and one-half (1.5)
2	Half time (0.5)
3	Double time (2.0)

See PPM, Section B014.1 for a complete list of OT codes.

Step 5. Determine the annual gross overtime adjustment amount by multiplying the total number of overtime hours paid for the 12 month period (Step 1) by the appropriate hourly rate (Step 4). If employee worked at more than one OT factor, compute the gross due for each OT factor and add the results together. Enter the total adjustment gross amount on Report ID PDW5355 (see attached examples).

NOTE: Please do not forget to include December 2003 overtime.

6. After the R & R pay has issued, complete a covering Form STD. 674 and submit with a copy of Report ID PDW5355 to PPSD, ATTN: Premium Pay Unit, for processing. Enter "Requesting annual overtime salary adjustment per 2003 personnel/payroll annual R & R - see attached listing" in the Remarks area on the Form STD. 674.

For questions regarding the R & R program including employee eligibility and calculation of the R & R gross, please contact Camille Goodwin-Boyd at DPA, (916) 324-3860, email [CamilleGoodwin-Boyd@dpa.ca.gov](mailto:CamilleGoodwin-Boyd@dpa.ca.gov). For questions regarding completion of the listings or covering Form STD. 674, contact Debbie Soto at (916) 324-5309 or Emma Dodini at (916) 322-4461.

JRH:JD/PMAB

## OVERTIME R &amp; R ADJUSTMENT GROSS CALCULATIONS, PAYMENT TYPE 9F

Annual R & R gross divided by 12 = monthly R & R pay.  
 Monthly R & R pay divided by 173.33 X 1.5 = hourly time and a half OT adjustment rate.  
 Monthly R & R pay divided by 173.33 x 1.0 = hourly straight time OT adjustment rate.  
 Monthly R & R pay divided by 173.33 X 0.5 = hourly half-time OT adjustment rate.

## Example #1:

Full-time employee who receives \$2,400.00 R & R pay:

\$2,400.00 divided by 12 months = \$200.00 monthly R & R pay.  
 \$200.00 divided by 173.33 X 1.5 = \$1.73 hourly time and a half OT adjustment rate.  
 \$200.00 divided by 173.33 X 1.0 = \$1.15 - hourly straight time OT adjustment rate.  
 \$200.00 divided by 173.33 x 0.5 = \$ .58 - hourly half-time OT adjustment rate.

Add all the time and half OT hours paid for the January - December pay periods and multiply those hours by the R&R overtime adjustment rate of \$1.73.

Add all the straight time OT hours paid for the January -December pay periods and multiply those hours by the R&R overtime adjustment rate of \$1.15.

If there are any half-time overtime payments, total those hours and multiply by \$.58.

Add the computed amounts together.

Employee's overtime pay issued for the year:

60 hours @ time and a half  
 10 hours @ straight time  
 0 hours @ half-time

60 hours X \$1.73 = \$103.80  
 10 hours X \$1.15 = \$ 11.50

Total OT Gross = \$115.30 - Enter this amount in the total gross column on ViewDirect Report ID PDW5355.

## Example #2:

Part-time (1/2 time) employee who receives \$1,200.00 R & R pay:

\$1,200.00 divided by 12 months = \$100.00 monthly R & R pay.  
 \$100.00 divided by 173.33 X 1.5 = \$.87 hourly time and a half OT adjustment rate.  
 \$100.00 divided by 173.33 X 1.0 = \$.58 - hourly straight time OT adjustment rate.  
 \$100.00 divided by 173.33 x 0.5 = \$.29 - hourly half-time OT adjustment rate.

Add all the time and half OT hours paid for the January - December pay periods and multiply those hours by the R&R overtime adjustment rate of \$.87.

Add all the straight time OT hours paid for the January - December pay periods and multiply those hours by the R&R overtime adjustment rate of \$.58.

If there are any half-time overtime payments, total those hours and multiply by \$.29.

Add the computed amounts together.

Employee's overtime pay issued for the year:

60 hours @ time and a half  
10 hours @ straight time  
0 hours @ half-time

60 hours X \$.87 = \$52.20  
10 hours X \$.58 = \$ 5.80

Total OT Gross = \$58.00 - Enter this amount in the total gross column on ViewDirect Report ID PDW5355.

Example #3:

Intermittent employee who receives \$1,600.00 R & R pay. (The employee worked a total of 1,280 regular hours in the 12 qualifying pay periods. 1,280 hours divided by 160 = 8 total qualifying months. \$2,400 divided by 12 months X 8 months = \$1,600.00 R & R gross.)

\$1,600.00 divided by 12 months = \$133.33 monthly R & R pay.  
\$133.33 divided by 173.33 X 1.5 = \$1.15 hourly time and a half OT adjustment rate.  
\$133.33 divided by 173.33 X 1.0 = \$.77 - hourly straight time OT adjustment rate.  
\$133.33 divided by 173.33 x 0.5 = \$.38 - hourly half-time OT adjustment rate.

Add all the time and half OT hours paid for the January - December pay periods and multiply those hours by the R&R overtime adjustment rate of \$1.15.

Add all the straight time OT hours paid for the January - December pay periods and multiply those hours by the R&R overtime adjustment rate of \$.77.

If there are any half-time overtime payments, total those hours and multiply by \$.38.

Add the computed amounts together.

Employee's overtime pay issued for the year:

60 hours @ time and a half  
10 hours @ straight time  
0 hours @ half-time

60 hours X \$1.15 = \$69.00  
10 hours X \$.77 = \$ 7.70

Total OT Gross = \$76.70 - Enter this amount in the total gross column on ViewDirect Report ID PDW5355.

Example #4:

Mid-year time-base change employee receives \$1,800.00 R & R pay. When the employee has more than one time-base during the 12 month period, compute the R & R overtime gross due for each time-base, and add together to determine the annual overtime R & R gross amount.

Employee worked 6 qualifying months at full-time and 6 qualifying months at half-time:

6 full-time months = \$1,200.00 annual R & R gross (\$2,400.00 divided by 12 X 6)  
6 half-time months = \$600.00 annual R & R (\$2,400.00 X 0.5 divided by 12 X 6)  
Total annual R & R Gross = \$1,800.00

Full-time pay periods OT rate:

\$1,200.00 divided by 6 months = \$200.00 monthly R & R pay.

$\$200.00 \text{ divided by } 173.33 \times 1.5 = \$1.73 \text{ hourly time and a half OT adjustment rate.}$   
 $\$200.00 \text{ divided by } 173.33 \times 1.0 = \$1.15 \text{ - hourly straight time OT adjustment rate.}$   
 $\$200.00 \text{ divided by } 173.33 \times 0.5 = \$.58 \text{ - hourly half-time OT adjustment rate.}$

Half-time pay periods OT rate:

$\$600.00 \text{ divided by } 6 \text{ months} = \$100.00 \text{ monthly R \& R pay.}$   
 $\$100.00 \text{ divided by } 173.33 \times 1.5 = \$.87 \text{ hourly time and a half OT adjustment rate.}$   
 $\$100.00 \text{ divided by } 173.33 \times 1.0 = \$.58 \text{ - hourly straight time OT adjustment rate.}$   
 $\$100.00 \text{ divided by } 173.33 \times 0.5 = \$.29 \text{ - hourly half-time OT adjustment rate.}$

Add all the time and half OT hours paid for the months that the employee was full-time and multiply the hours by \$1.73. Add all the time and a half OT hours paid for the months that the employee was half-time and multiply the hours by \$.87.

Add all the straight time OT hours paid for the months that the employee was full-time and multiply the hours by \$1.15. Add all the straight time OT hours paid for the months that the employee was half-time and multiply the hours by \$.58.

If there any half-time overtime payments, add all the half-time OT hours paid for the months that the employee was full-time and multiply the hours by \$.58. Add all the half-time OT hours paid for the months that the employee was half-time and multiply the hours by \$.29.

Employee's overtime pay issued for the year:

45 full-time hours at time and a half.  
15 half-time hours at time and a half.  
10 half-time hours at straight time.

45 hours  $\times \$1.73 = \$77.85$  (full-time)  
15 hours  $\times \$ .87 = \$13.05$  (half-time)  
10 hours  $\times \$ .58 = \$ 5.80$  (half-time)

Total OT Gross = \$96.70 - Enter this amount in the total gross column on ViewDirect Report ID PDW5355.